



February 9, 2016

R. Blain Lawson
General Manager and Chief Executive Officer
Liquor Distribution Branch
2625 Rupert Street
Vancouver BC V5M 3T5

Dear Mr. Lawson:

This Mandate Letter confirms your organization's mandate, provides government's annual strategic direction and sets out key performance expectations for the 2016/17 fiscal year.

On behalf of the Province of British Columbia (BC), thank you for your leadership and the contributions made by the BC Liquor Distribution Branch (LDB) over the past year and congratulations on the efforts made towards the following achievements:

1. Development and implementation of the new wholesale pricing model which came into effect on April 1, 2015, which promotes transparency and a level playing field between public and private retailers;
2. Preliminary development of a new Vancouver warehousing solution, scheduled for implementation in 2018/19, to support capacity demands while realizing efficiencies to increase productivity;
3. Achieving compliance with Government's financial policies/guidelines for mark-up, taxation and the LDB's revenue contribution to Government, and the LDB's 2015/16 Service Plan budget and performance targets, including net income; and
4. Successful collaboration with Government to review, draft and finalize amendments to the *Liquor Distribution Act* that modernize, refine and further define the scope of LDB duties and authority.

Last year, government established a common set of principles for the BC public sector organizations. The intent of the Taxpayer Accountability Principles (TAP) is to strengthen accountability and promote cost control. These principles instil a common frame of reference to inform decisions and ensure that the actions taken and services provided meet public policy objectives established by government on behalf of the

Ministry of Small Business and
Red Tape Reduction and
Minister Responsible for the
Liquor Distribution Branch

Office of the Minister

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citizens of BC. All public sector organizations are expected to understand the responsibility they have to the citizens of BC and how it is complementary to the fiduciary duty to their organizations.

One of government's core values is respect for the taxpayer's dollar. It is critical that Public Sector Organizations operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. The foundation of this work is the government's commitment to controlling spending and balancing the budget.

Government has provided the following mandate direction to the LDB under the *Liquor Distribution Act*: to manage the importation, distribution and retailing of beverage alcohol in the province of British Columbia.

The LDB follows the Crown Agencies Resource Office guidelines for service plans and annual reports, and is reported out in public accounts in a manner similar to a commercial Crown corporation, on a modified equity basis.

To achieve this mandate, the LDB is directed to take the following strategic actions:

1. Continue work and provide a Business Case to the Minister to bring forward to Treasury Board a plan for the successful transition to an appropriate warehousing solution to replace the current Vancouver Distribution Centre that supports growing capacity demands, while realizing efficiencies to increase productivity.
2. Continue to modernize the LDB retail and wholesale systems to reflect the changed liquor environment in B.C., improve effectiveness, and to ensure separation between the LDB's wholesale and retail operations – developing proposals for the Minister and Treasury Board about these matters as required.
3. Optimize the LDB's financial performance and sustain net returns to the Province in accordance with government policy, Treasury Board directives, the appropriate legislation and regulation, and in alignment with the Taxpayer Accountability principles.

To achieve this, several actions as detailed in the 2014 TAP Transition Letter, are to continue to be implemented and refined, such as, on-going orientation, the joint strategic engagement plan, and the evaluation plan. For detailed information about TAP directives, please refer to the following link, [Taxpayer Accountability Principles](#).

In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities, [PSO Accountability Summary](#).

Government is committed to continuing to revitalize the relationship between government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of government's expectations. Timely communication of any issues which may affect the business of the LDB and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets.

You are required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website and a copy signed by you provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against the TAP, key results and working together to protect the public interest at all times.



Coralee Oakes
Minister

Date: February 9, 2016



R. Blain Lawson
General Manager and Chief Executive Officer,
Liquor Distribution Branch

February 11, 2016

cc: Honourable Christy Clark
Premier

John Dyble
Deputy Minister to the Premier and Cabinet Secretary

Kim Henderson
Deputy Minister
Ministry of Finance

Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance

Tim McEwan
Deputy Minister

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Ministry of Small Business and Red Tape Reduction and
Minister Responsible for the Liquor Distribution Branch

Attachment: Taxpayer Accountability Principles

B.C. Taxpayer Accountability Principles

Further information available at: <http://gov.bc.ca/crownaccountabilities>

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| 1 Cost Consciousness (Efficiency) | Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to “bend the cost curve” and support sustainable public policies and programs as a lasting legacy for generations to come. |
| 2 Accountability | Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government’s strategic mandate. |
| 3 Appropriate Compensation | Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government’s taxpayer accountability principles and respectful of the taxpayer. |
| 4 Service | Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs. |
| 5 Respect | Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers’ monies. |
| 6 Integrity | Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles. |